

BAYONNE BARREL AND DRUM CO.

PREPARED WOODEN BARRELS-RECONDITIONED STEEL DRUMS

RAYMOND BOULEVARD AND ROUTE 25

NEWARK 3, N.J.

MARKET 2-0111



October 23, 1967

New Jersey Turnpike Authority
New Brunswick, New Jersey 08903

Gentlemen:

We are enclosing, herewith, what we presently believe to be a final summary of all our estimated damages, both temporary and permanent, due to the proposed taking of part of our property by your Authority.

Up to this writing, we have cooperated with you wherever possible. We have permitted you to presently use part of our land for the placement of service gas lines. We are also making arrangements with you for an immediate Right of Entry on a portion of our premises, for the purpose of placing a large tonnage of sand on said area under certain express conditions; and at your request, we have cooperated by removing approximately 25,000 drums and relocating them, in order to assist you in some preparatory work.

We wish to further cooperate with you to permit an early final taking by you of the property you require by the spring of 1968, rather than under our 18-month lead time agreement. However, in order to permit this earlier taking, it is essential that we order the equipment now, which will have to be fabricated under overtime conditions, as well as commence construction now. In order for us to do this, an immediate outlay of substantial funds is required; we, therefore, request that you pay us, on account of the total damages to be finally determined as due us, the sum of \$1,000,000.00 as soon as possible.

The sooner we receive this down payment, the more quickly all the necessary preliminary work, both on construction as well as on equipment fabrication, can be commenced, and the sooner we will be able to relinquish possession of the area you require.



612363



October 23, 1967

The destruction of our closed-head reconditioning plant prior to the construction of a new one located elsewhere on the property, would amount to a confiscation of our business. We have already called to your attention the list of concerns dependent upon this plant for their drum requirements. Any long-term hiatus in supplying these requirements would have drastic and tragic consequences for our Company. It could entail the loss of most of our business; because of necessity, our customers would have to make other long-term contractual arrangements for their drum needs. This would simultaneously cause a substantial loss in open-head drum reconditioning production, because the two types complement each other in our service to industry.

Furthermore, we would have to discharge as many as 50 employees, which would cause serious labor problems for our Company, and would be in violation of the provisions of our contract with our labor union. This could cause a disruption of all our operations, with the most serious consequences to us and possibly to the Turnpike itself. We can envision many problems with the union if such a wholesale discharge took place, since the union is deeply concerned with the welfare of its members and their continued employment, especially in the light of recent occurrences in the city of Newark.

It is imperative, therefore, that immediate steps be taken for the construction of a new closed-head reconditioning plant, and your cooperation, as outlined above, is urgently required.

Sincerely,
Yours truly,

BAYONNE BARREL AND DRUM COMPANY

Frank A. Langelia
President

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Enc.

INTRODUCTION

In the taking of a portion of our property, damages will be suffered by us which it is virtually impossible to measure, and for which, therefore, exact dollar compensation is difficult to ascertain. The area of our property being taken is the most valuable section of the entire plot, and the removal of this portion, as we pointed out in other communications, to the Authority, will forever involve costs and expenses in substantial sums annually. Furthermore, as has been pointed out in our main communication, our drum storage yard, the largest of its kind in the world, has been a most significant factor contributing to our growth and success, and the reduction of that storage yard area will substantially reduce our business potential for all time.

We submit that every effort should be made to minimize the damage to our property by the Authority, and that every effort should be made to take as little land as possible from us, and to so arrange the remainder as to cause the minimum amount of possible damage to the future use of our property. Every possible means should be adopted to that end, and in that manner, we can be compensated, at least in part, for what is not set forth in dollar amounts in our evaluation of the damage being caused us.

We therefore submit, that in the construction of the widening, the western boundary of the Turnpike should be designed so that it is located at the most easterly line possible. Such boundary, wherever contiguous to our property, should be protected and maintained by a 4-foot concrete curb. Furthermore, the section of the Turnpike to be straightened

line as is possible to create, in order to avoid protrusions which would result in land wastage for us. It is imperative that there be no open ditch at the bottom of the slope, but that drainage should be taken care of by way of covered culverts. All of this is extremely important in order to avoid erosion, slides, land waste, flooding, and all of the many other deleterious conditions under which we suffered for years (and are still suffering) after the original taking by the Turnpike Authority in 1951.

In addition, to reduce the impact of the reduction of future business potential, the Authority should transfer to our Company, without any further consideration, any and all lands contiguous to the land of the Company, which may be left over and found unnecessary to the Turnpike and the newly created ramps for exits and entrances have been situated on

the Turnpike Authority.

We trust that the Authority will use its best efforts and to the extent possible to minimize the great and irreparable damage being done to our business due to the Turnpike widening. We, in turn, will cooperate with the Authority to the fullest extent--which most recently included an understanding to create a service easement on the southern boundary of the property, to facilitate the operations of the construction contractors. If both parties mutually extend their fullest cooperation, this will minimize the hardships and economic loss which will inevitably be caused the Company and at the same time, this will assist the Authority in its project.

BAYONNE BARREL AND DRUM CO.

VALUATION REPORT

This report describes and evaluates property of the Bayonne Barrel and Drum Company, part of which is about to be acquired by the New Jersey Turnpike Authority.

Located at 154 Raymond Boulevard in Newark, the subject premises embrace an area of approximately 12 1/2 acres and front along a concrete ramp leading from Route 1 to the Boulevard.

The improvements consist of a series of one- and two-story masonry industrial buildings, containing an area of approximately 20,000 square feet, of which 4,000 square feet are devoted to office space.

The Turnpike Authority proposes to acquire an area of approximately 4 1/2 acres extending along the eastern boundary of the property. The buildings, containing approximately 36,000 square feet of floor space.

The purpose of this evaluation is to establish the value of the area to be taken, approximately 4 1/2 acres, and the damage to the remainder by reason of the severance. Also to be evaluated are the buildings being taken, in whole or in part, and the industrial equipment contained in such buildings. Consequential damage will result from the severance of the utilities, the necessity for the removal of power installations, air and steam lines, and the removal of drums from the area being taken.

Economic removal of the machinery and equipment, as well as service installations, in the buildings being taken, cannot be achieved. This point will be found in the section entitled "Necessity of New Construction".

The main buildings being taken, known as Buildings Nos. 5 and 6, comprise the closed-head drum reconditioning plant. Building No. 6 starts with the receiving platforms, and contains the following departments in the belt-line operation of drum reconditioning: dodenting, preflushing, chaining and testing. These operations are all contained in Building No. 6 (approximately 16,854 sq. ft.).

Immediately contiguous and part of the same overall structure is Building No. 5, which contains the balance of the closed head drum reconditioning plant, as follows: cleaning racks, outside stripping, inside washing, siphoning and drying, inspection, shot-blasting, chime sealing, welding, re-bunging, and conveying to the shipping platform (approximately 5,600 sq. ft.).

Building No. 3, which may eventually be removed because it will be included under the new plant, consists of the maintenance and machine shop and the truck repair section (approximately 3,727 sq. ft.).

Building No. 10 is a warehouse, stockroom, plant and dispatch office (approximately 6,120 sq. ft.).

Building No. 7 is a two-story warehouse (approximately 2,980 sq. ft.)

HISTORY OF THE ENTERPRISE

Organized in 1930, the Bayonne Barrel and Drum Company occupied the present location in 1938, and has been in continuous operation, since that year, at the same location. This is the only location owned and occupied by the Company, and none of its services are performed anywhere else. In the last 30 years, the Company has become the largest single closed-head drum reconditioning plant in the world. In 1966, it reconditioned

In excess of 1,000,000 drums, of which approximately 400,000 were closed-head drums, and the balance, open-head drums (which are reconditioned in another building on another part of the same premises). Operating with a personnel of 190, and a payroll in excess of \$1,000,000 annually, the annual sales of the Company are in excess of \$4,500,000.

NECESSITY FOR NEW CONSTRUCTION

It has taken many years to develop the specific techniques and the high degree of technological achievement which has enabled the Company to become the leader of the industry in the United States. It is the only concern on the eastern seaboard which can successfully recondition such large quantities of "rough-to-clean" closed-head drums, together with open-head drums, which are essential to the continued operation of some of the largest industrial concerns in the United States. They include:

E. I. DuPont
Alcan. Mining & Metals
Pittsburgh Plate Glass
Sherwin Williams
Proctor & Gamble
Palsley Products
Wesson Oil Company

Allied Chemical Company
Inter-Chemical Corporation
Sun Oil Company
National Starch Company
Swift & Company
Essex Chemical Company
E. F. Drew & Company

and many, many more.

These concerns depend upon the Company for a steady supply of both closed-head and open-head drums; and any hiatus in production would not only greatly damage the Company, but would have most serious effects on the production of the companies listed above. It is commercially impossible for these concerns to obtain the services rendered by the Company in the quantity required, anywhere else in the area.

It is, therefore, essential that the Company not only be compensated for the construction of a new facility, including the building and cost of equipment to be installed in that building, for closed-head drum reconditioning, but in addition, the Company must be given at least 18 months lead time to construct this new facility prior to the destruction of the old one. This lead time was recognized as essential by the Authority back in 1951, when the original taking occurred, and is part of the agreement made between the Authority and the Company at the time of the original taking.

For example, we have been negotiating for approximately one year with three of the largest chemical concerns in this area (we can describe this statement) for the storage and reconditioning of all their drums, which, in the aggregate, will double our present production. The addition to our technical and physical qualifications.

This taking will seriously impair our growth potential, unless we can replace the present facilities immediately and before the taking, and unless we are compensated fairly and justly for the impact upon our business, present and future, and the disruption caused.

VALUATION APPROACH (LAND)

The value of the land was determined by the Company after a careful study of many factors:

- (a) Present overall use of the land,
- (b) Sales of comparable tracts.
- (c) Necessity for large storage area to the enterprise.

(d) Unique location.

(e) Proximity to the industrial concerns serviced by the Company.

Present Overall Use of the Land

The 12 1/2 acres occupied by the Company contain a series of buildings built into composite units, over a period of years, through successive additions; and, equally important, they contain a storage yard for tremendous quantities of drums. This storage yard is absolutely essential to the Company's operations, and the Company's production could not have grown to its present proportions, nor could the Company have achieved its present position with the industrial concerns listed above, were it not for this large storage yard, which is a well-ventilated and protected area.

The storage yard is essential to storage to avoid drum spoilage and deterioration.

The two types of drum reconditioning--closed-head, in the buildings to be taken, and open-head, in the buildings adjacent to Route 1--both are performed on the same property; and this is an additional important factor in inducing the Company's industrial customers listed above, to purchase their reconditioned drums, or the service of reconditioning, in tremendous quantities from the Company. The economy of operation, by having both plants in the same location, the economy of transportation, the economy of storage--are all reflected in the overall price structure of the Company, and the economic inducement to its customers to work exclusively with the Company.

The present tract, therefore, is of great value to the Company because of its overall usage. The present tract is essential to the

continuation of the production of drums in excess of 1,000,000 annually, and is essential to the financial health of the Company. For that reason, the value of the land being taken cannot be measured merely by other factors, such as the market value of other tracts. Great weight must be given to the present usage of the tract. There is a sharp distinction between taking a portion of vacant land, unused and unprofitable, and taking a portion of a plot which contributes heavily to the industrial usage to which it is presently put. Not only must the value per acre be determined as land alone, but as a part of the basis for the continued industrial production and growth of the Company.

Value of Commercial Tract.

A recent sale of a tract on Cortina Avenue, in an area now devoted to commercial purposes, was made for \$1,100,000.00. The tract was approximately 10 acres and paid \$65,000.00 per acre for approximately 10 acres.

Necessity for Large Storage Area to the Enterprise

One of the factors which induces industrial concerns, such as DuPont, Allied Chemical, etc., to work with the Company is the ability to store large quantities of the customer's drums and have them available upon demand of the customer. Another reason for having a large storage yard is the necessity for acquiring large quantities of drums by purchase, in order to have them available to the Company's industrial customers on demand.

A further factor in the necessity for a large storage yard is economic. To store large quantities in small areas requires piling the drums 10 or 12 high, whereas in the Company's storage yard the drums are piled 3, 4, and 5 high. The higher the pile, the more costly the handling.

both in placing on the pile and in removing from the pile. No other single plant in the United States has the storage capacity in acreage which has the Company; and this storage acreage has contributed, in large measure, to the Company's success.

Unique Location

This tract has one of the most unique and valuable locations in the entire state of New Jersey. It is located at the junction of Route 1 and Broad Boulevard on the west end north, and the Turnpike on the east. The distance to the Turnpike for truck transportation is only 500 feet from the plot. There also is an entrance to the Pulaski Skyway (thousands feet from the plot) and it is on a direct route to the Holland and Lincoln Tunnels within a 15-minute drive, and to the city of Newark and Newark.

center of the most heavily industrialized area in the world, and cannot be duplicated.

Proximity to the Industrial Concerns Serviced by the Company

All of the Company's industrial customers are located within short truck trips from the Company's location, which makes for economy in transportation and for better service to the customers.

VALUATION OF PROPERTY TO BE TAKEN AND OF DAMAGES

1. Land

The Company has determined, based upon the factors hereinabove described, that the value of this tract is in excess of \$100,000.00 per acre.

2. Damaged to Remainder of Land

After the taking, the Company's tract will be reduced to approximately 8 acres. There will be necessity for the relocation of the employees' parking area, which is being taken, as well as the necessity for the relocation of the buildings being taken--Nos. 3, 5, 6, 7, and 10--and in addition, the relocation of Building No. 4, which is not being taken but contains the boiler room as well as air compressors, and is located close to the closed-head drum reconditioning plant, not by accident but by design, in order to reduce the costs of air and steam in that plant. When the closed-head drum plant is relocated in another area, Building No. 4 will also have to be moved into a nearby area. The relocation of these various buildings, and the relocation of the parking lot, will, of necessity, require a further

relocation of the power transformers in Building No. 3.

This reduction of the plot to 8 acres has very serious financial and economic effects. In the first place, the Company will not be able to offer its customers the large storage area which it presently owns. This may result in a loss in business. Secondly, it will be necessary to store drums in higher piles. This increases the cost of handling, substantially, and the Company can cite a concrete example of such increased costs. When the Turnpike taking occurred in 1951, the Company used to store its closed-head drums in the area immediately adjacent to the receiving platform of Building No. 6. At that time, by the use of conveyors and two men, the Company was able to move all the closed-head drums from that storage yard to the receiving

platform. That storage yard was taken and is now part of the Turnpike. Such storage yard had to be moved to other sections of the plot, south and west of the present buildings. Instead of the drums being conveyORIZED to the receiving platform of Building No. 6, with the use of two men, they now have to be trucked from the storage piles to the same receiving platform by using six men. The additional cost of four men to the Company, plus the use of trucks, gasoline, tires, etc., is approximately \$40,000.00 a year, so that in the past years, since the Turnpike taking, the company has had increased costs in excess of \$340,000.00.

The plot is landlocked, as heretofore described, by the Turnpike, and Raymond Boulevard, and a drive-in movie to the south and west. It is impossible to load and unload the drums at the plot without extensive use of trucks and men. This increases the cost of moving drums from storage to the production lines, as well as the increased cost of parking approximately 75 pieces of rolling stock used in the storage yard, at greater distances from the receiving and shipping platforms.

For all of these reasons, the Company has determined that the balance of the plot will only be worth \$50,000.00 an acre after the taking. Thus, it is estimated that the reduction in value per acre of the remainder of the plot, will cost the Company \$400,000.00.

Buildings

The Turnpike is taking approximately 36,000 square feet of buildings, according to construction estimates furnished by Fre.

Corrado of Corrado Brothers, Newark builders, construction estimators and engineers, the cost of replacing these buildings on other locations of the plot, will be \$12.50 per sq. ft., to which must be added plumbing costs of \$85,000.00, and lighting costs of \$15,000.00, or a total construction cost of \$450,000.00 for the buildings and \$100,000.00 for plumbing and lighting--totaling \$550,000.00 in all.

Equipment

Included in this report are estimates of the cost of replacing the equipment contained in the buildings being taken, and the installation of such equipment in the new closed-head drum plant. The amount itself totals \$400,000.00, and the rigging and installation approximately \$100,000.00. In addition, there is the cost of

also the replacement of utilities, air and steam lines, at an approximate cost of \$100,000.00.

(c) Immediate Expenses Incurred

(a) At the request of the Authority, the Company removed and relocated approximately 25,000 drums from the area immediately south of the closed-head plant to an area on the extreme southwestern periphery of the property. The cost of removing the drums was approximately \$7,500.00.

(b) In order to relocate the drums to the southwestern periphery of the property, it was necessary to prepare the area for such relocation. This included the removal of debris, grading and leveling, and the removal and replacement of steel rail curbing.

required in order to physically maintain the drum piles and align them for storage purposes. The cost of this work was \$12,500.00.

- (c) Due to the removal and relocation of approximately 25,000 drums, and the Company's inability to further use the area where those drums were located, immediately south of the closed-head plant, the Company has had to use the labor of three additional men for the purpose of bringing drums from further sections of the property, some 600 to 1,000 feet away, by truck to the beginning of the production line at the closed-head plant where the remaining drums had been located. The cost of three men for one year is \$7,500.00 per man is \$22,500.00, and the estimated additional expenses for the trucks is \$5,000.00, or a total of \$27,500.00.

Due to the removal of the drums, the Company permitted Trans-Eastern and Public Service to come into the property and prepare the area for the relocation of their pipe lines. They have damaged our fences, dug up the property in several sections, disrupted our operations--all to the extent of \$7,500.00.

- (d) The Authority is seeking an Immediate Right of Entry for the area, consisting of the parking lot and the land immediately south of that lot up to a line which would be 70 feet away from the present building line of Buildings Nos. 5 and 6. That land is north of the closed-head building and is presently used as the loading and storage area for the trailer loads of reconditioned drums, at the end of each day's operation for the following morning's deliveries. By reason of the reduction of this area under the

proposed Right of Entry, it will become necessary to park these trucks at the furthest end of the property; and the storage of such reconditioned drums away from the northern end of the closed-head plant, will necessitate the use of three additional men, at \$7,500.00 per man per year, for the eight-month period until April, 1960, which comes to \$14,000.00.

In addition, the further disruption that will be caused by the movement of these many trucks daily, the inability to jockey the trucks around, as is presently being accomplished on the north side of the closed-head plant, and the waiting time that will be caused these trucks because of the reduced space, has been estimated to damage the Company in the sum of \$11,000.00.

(a) Preparation of area for relocation of drums	12,500.00
(c) Damages due to relocation, requiring additional labor, etc.	27,500.00
(d) Disruption of operations by Trans-Eastern and Public Service gas lines	7,500.00
(e) Disruption of operations caused by restriction of loading area	<u>26,000.00</u>
Total Immediate Expenses	\$81,000.00

9 10. Overtime Costs

The Authority has indicated to the Company their urgent need for all the property to be taken, and has requested the Company to be ready to remove from the area to be taken no later than the spring of 1960, in order to complete a new plant and install the equipment.

required to replace the closed-head plant being demolished, to satisfy the Authority's time requirements it will be necessary to pay overtime costs, not only for building construction and equipment manufacture but also for the installation, rigging, wiring, plumbing, etc., involved in establishing such a plant. Price incentives and bonuses will be required to persuade the equipment manufacturers, as well as the builders, to become involved in such overtime operations.

Total estimates for construction, equipment, installation, etc., listed in Items B, A, E, S, T, and U, amount to \$1,322,000.00 in which we have estimated that 50 percent constitutes labor costs of \$661,000.00. We have thus estimated the overtime costs to be approximately \$151,000.00.

These overtime costs are the direct result of the need for the construction of the closed-head plant and the need for the work which the Company is entitled by agreement.

Ingress Changes

The taking of the eastern section of the Company's land together with the various buildings located thereon, will cause many economic problems, serious financial damage, insofar as ingress and egress are concerned. The Company owns 72 pieces of rolling stock which are, in the main, stored close to the southern side of the closed-head plant. They are so located because of their necessary proximity to the loading platforms, the maintenance building, and the dispatcher's office.

There will have to be an entire rearrangement of the storage area for the rolling stock and the need for a new area, etc.

for the 72 pieces of rolling stock (which includes 35 trailers, 20 tractors, 5 dealer trucks, 5 yard trucks, 3 donkey tractors, 2 pay-loaders, and 1 bulldozer). It will become necessary to remove a large number of the open-head drums which are close to the open-head plant for obvious reasons, and to relocate them in areas further distant from the plant, in order to store the rolling stock in an area somewhat similar, in regard to proximity to both plants, to the present one. The disruption of yard operations and feeding of both open-head and closed-head drums to their respective plants, will necessitate additional labor and additional movement of trucks and trains. Engineering estimates have computed that it will become imperative, in order to conserve expense of manpower for years to come, to remove the present open-head drums and relocate them in an area of approximately 100,000.00 square feet at a cost of \$50,000.00.

12. Replacement of Transformers

It will become necessary to remove and replace the transformers which are presently located, by design, next to the closed-head plant and close to the open-head plant. These must be relocated in an area between the closed-head plant to be erected, and the present open-head plant. The cost of such removal and replacement is estimated at \$15,000.00.

13. Removal of Warehouse Inventory

By the taking, it will become necessary to demolish Warehouse No. 10, which is the storage of the company. In this warehouse is found all the inventory, consisting of gears, metal shot,

plugs and gaskets, closing rings, steel drum lids, etc. The building presently contains shelving and bins to properly store these items for inventory purposes. The removal of this inventory into a new warehouse to be constructed, and the installation of new shelving and bins, are estimated to cost \$17,500.00.

14. Relocation of Machine Shop

By the destruction of the closed-head plant, it will become necessary to demolish the present machine and repair shop and garage. This building contains all machine shop heavy equipment as well as garage equipment, and it will be necessary to remove and replace this equipment into a new area to be constructed for that purpose. It is estimated that the cost of demolition, rigging and replacement

15. Engineering Expenses and Surveys

It has become necessary for the Company, by reason of the proposed taking by the Authority, to have many engineering tests and surveys conducted, in order, first, to determine ground and surface conditions for relocation of buildings, road beds, foundations, etc. We have also had surveys made to stake out areas for grading and leveling in order to relocate drums. In addition, there will be a need for architectural services and construction supervision for the new buildings, all of which will cost the Company \$50,000.00.

16. Plant Layout

The Company has authorized engineering surveys and estimates for

plant relocation and plant layout as well as the design of the new equipment to be installed. It will also become necessary to have field engineering supervision of the installation of such new equipment. The cost of all this is estimated at \$50,000.00.

§ 17. Legal Fees

It has become necessary for the Company to obtain legal services to assist in the preparation of contracts with various construction firms, equipment manufacturers, and laboratory work as well as all business to be negotiated and executed for the final construction of buildings and the final purchase of equipment, etc. Such legal services are also necessary with reference to the preparation of all plans for the Authority, concerning the evacuation of the property, etc.

It is estimated that the legal services to be rendered on its behalf because of the taking, will cost the Company approximately \$100,000.00.

§ 18. Removal of Effluent Tanks

The western line of the area being taken by the Authority, plus the 22-foot easement it requires, brings these two lines to a point immediately adjacent to the foundation of the effluent (or waste disposal) tank. This concrete foundation is 30 feet square, and on it rests a steel tank 12 feet in diameter and 60 feet in height. Adjacent to this tank, and buried 10 feet below the surface, is a 10,000-gallon effluent receiving tank with automatic controls and a 10-horse-

power pump.

In order to maintain a truck lane on the eastern border of the

property, which is absolutely essential to the operations of the Company and the maintenance of the storage yard, it will become necessary to remove these tanks and foundation to another section. This will further disrupt the operations of the Company, further reduce the storage area; over and above such disruption and reduction of area, the actual removal and replacement of the foundation and tanks will cost approximately \$50,000.00.

Relocation of Buildings

Although the actual taking comprises 4 1/2 acres, the Company is taking much more acreage by reason of the necessity for removal and relocation of various buildings, shops, maintenance and repair shops, and other structures, which are presently on the property being taken. The necessity for the removal of these structures, storage and repair shops, is due to the taking of the adjacent property, which makes the present locations of these various structures no longer feasible or practical.

We estimate that the loss to the Company due to this resultant reduction in the use of available land, even though not part of the "legal" acquisition, is \$150,000.00.

DEPRECIATION

It has been suggested that only the depreciated value of the equipment

and buildings should be considered. In this instance, such an approach is not proper or valid. The equipment is regularly altered, changed, modified, improved, removed and exchanged, and added to, more so at this plant than any other reconditioning plant in this country. (The President of the Company is Chairman of the Technical Committee of the National Barrel and Drum Association, is a recognized designer and inventor of drum equipment, and is the sole recipient of the Association's Merit Award which is continuously by 175 reconditioners throughout the United States, Canada and foreign countries, for technical inventiveness and ingenuity.)

Therefore, so-called depreciated value of equipment is really meaningless at this plant.

As for buildings and equipment generally, we do not think any one should be concerned with so-called value in relation to them. We are not seeking anything but the best replacement value for our property. The fact that the present buildings are not new should not influence the judgment that the Company must be made whole in order to enable it to continue its present operations. We did not invite the Turnpike to take this property--we, in fact, fought it. Furthermore, our property is not being taken for a school or a hospital or a similar governmental requirement. It is being taken by an Authority which charges tolls, earns profits, pays interest (which means profits) to stockholders, pays large salaries, and is, in effect, a tremendous business enterprise. Such an organization must not be permitted to destroy a business, or reduce its volume materially, or endanger its future, by such theoretical arguments as depreciated value.

CONCLUSION

It is the opinion of the Company that the fair value of the property to be taken, including damage to the remainder and damages for the replacement of various services, equipment, installations, etc., as well as other costs and damages to be suffered by the Company, is as follows:

1. Land - 4 1/2 acres @ \$100,000/acre (See page 6)	\$450,000.00
2. Damage to remainder of land - 2 acres @ \$50,000/acre (See pages 6 and 7)	400,000.00
3. Construction of 16,000 sq. ft. of buildings @ \$28.125/sq. ft. (See pages 9 and 10)	450,000.00
4. Replacement of equipment (See page 10)	400,000.00
5. Rigging and installation of equipment (See page 10)	200,000.00
6. Industrial wiring and installation (See page 10)	72,000.00
7. Removal and replacement of utilities, air and steam lines (See page 10)	100,000.00
8. Immediate expenses incurred (See pages 10, 11, 12)	\$1,000.00
9. Overtime costs (See pages 12 and 13)	330,000.00
10. Ingress changes (See pages 13 and 14)	50,000.00
11. Replacement of transformer (See page 14)	20,000.00

13.	Removal of warehouse inventory (See pages 14 and 15)	\$ 17,500.00
14.	Replacement of machine shop (See page 15)	12,500.00
15.	Engineering expenses and surveys (See page 15)	50,000.00
16.	Plant layout (See pages 15 and 16)	50,000.00
17.	Legal fees (See page 16)	100,000.00
18.	Removal of off-track tank (See pages 16 and 17)	
19.	Land use cost because of relocations	

THE STATE OF TEXAS, COUNTY OF DALLAS, this 14th day of May, 1978.